

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IES UTILITIES INC., INTERSTATE POWER COMPANY, and MIDAMERICAN ENERGY COMPANY	DOCKET NOS. INU-00-4 INU-00-5
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**ORDER CLOSING DOCKET NO. INU-00-4, EXPANDING INVESTIGATION IN
DOCKET NO. INU-00-5, AND REQUIRING ADDITIONAL INFORMATION**

(Issued September 8, 2000)

On March 16, 2000, the Utilities Board (Board) commenced an investigation on the proposed withdrawal of IES Utilities Inc. (IES) and Interstate Power Company (Interstate) from membership in the Mid-Continent Area Power Pool (MAPP) reliability council and their plan to join the Mid-America Interconnected Network (MAIN) reliability council. IES and Interstate are both public utility subsidiaries of Alliant Energy, Inc. (Alliant). Subsequent to the commencement of the investigation, IES and Interstate in fact withdrew from MAPP, although they remain subject to certain MAPP requirements for an interim period. In an order issued May 19, 2000, the Board expanded the investigation to encompass reliability and capacity in general for IES and Interstate.

The Board's May 19, 2000, order in Docket No. INU-00-4 also required IES and Interstate to file certain information regarding, among other things, reliability, capacity,

and resource plans. IES and Interstate filed the required information with the Board on June 12, 2000.

The Board commenced a second investigation, identified as Docket No. INU-00-5, on May 19, 2000. This investigation was begun to obtain information on transmission and distribution reliability from Iowa's three investor-owned utilities, IES, Interstate, and MidAmerican Energy Company (MidAmerican).

The Board believes that Docket No. INU-00-4, which was initially opened to investigate IES' and Interstate's transfer from MAPP to MAIN, should be closed because the transfer has largely been completed and all information requested in that docket has been filed. However, the Board remains concerned, not only about transmission and distribution system reliability, but also about reliability of the entire electric system, which includes generation resource planning. For example, the MAPP Load and Capability report for the year 2000 shows that, for the summer of 2002, MidAmerican's capacity reserve margin is projected to be 16.5 percent. This is only 1.5 percent above MAPP's 15 percent reserve requirement. The report's projections show MidAmerican falling below the 15 percent reserve by the summer of 2003.

The Board will therefore expand the investigation in Docket No. INU-00-5 to include generation resource planning for Iowa's three investor-owned electric utilities. The Board believes it must take a proactive role in monitoring utilities' activities to improve the state's energy outlook over the next ten years. The Board will require

IES, Interstate, and MidAmerican to file the following applicable information on or before March 1, 2001, regarding their plans to meet projected electric load growth:

1. IES, Interstate, and MidAmerican are to provide their proposed resource plans for meeting the electric needs of customers for the summer of 2001 through the summer of 2010. The plans shall include supporting data such as descriptions of the overall process, analytical techniques used by each utility to create its proposed plan from the available options, and an action plan with a description of the activities each utility intends to undertake to develop or obtain resources identified in the plan. The action plan must be for at least a two-year period and include a schedule of key activities, such as construction and contracting.

2. IES and Interstate are to file projected load and capability data for the years 2000 through 2010 as reported to MAIN or its successor reliability organization; MidAmerican is to provide the same data as reported to MAPP or its successor reliability organization.

3. Each utility is to provide a detailed explanation of generation resources available to serve its Iowa electric customers, including any planned generation additions, possible expansions or anticipated changes in generating capacity, and all electric power purchase and sale plans that exist at the time of filing. The plans are to include firm, non-firm, participation, and seasonal electric power purchases and sales. In addition, each utility is to provide information about any plans for new transmission facilities or upgrades.

4. Each utility is to file a list of all existing generating units, including unit uprates and derates as appropriate, for the years 2001 through 2010. In addition, any plans to reduce existing resources through sales, leases, deratings, or retirements are to be filed.

5. IES, Interstate, and MidAmerican are to explain what weather assumptions are used in forecasting load (e.g. extreme or normal weather). Also, the utilities are to explain whether the load forecasts include any projected variations in peak load due to anticipated electric restructuring. If so, then forecasts are to be provided that do not include these variations.

6. Projected electric load data for each utility for the years 2001 through 2010 that includes a breakdown of anticipated load savings from direct load control and interruptible programs.

7. Projections of the reserve capacity available for each utility for the years 2001 through 2010.

IT IS THEREFORE ORDERED:

1. Docket No. INU-00-4 is closed.
2. Docket No. INU-00-5 shall be expanded to include generation resource planning for Iowa's three investor-owned electric utilities, IES Utilities Inc., Interstate Power Company, and MidAmerican Energy Company.

3. IES, Interstate, and MidAmerican each shall file the information identified in this order on or before March 1, 2001.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 8th day of September, 2000.